

110TH CONGRESS
1ST SESSION

S. 228

To establish a small business child care grant program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2007

Mr. ROBERTS (for himself, Mr. STEVENS, and Mr. ALEXANDER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish a small business child care grant program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Child
5 Care Act”.

6 **SEC. 2. SMALL BUSINESS CHILD CARE GRANT PROGRAM.**

7 (a) ESTABLISHMENT.—The Secretary of Health and
8 Human Services (referred to in this section as the “Sec-
9 retary”) shall establish a program to award grants to
10 States, on a competitive basis, to assist States in providing

1 funds to encourage the establishment and operation of em-
 2 ployer-operated child care programs.

3 (b) APPLICATION.—To be eligible to receive a grant
 4 under this section, a State shall prepare and submit to
 5 the Secretary an application at such time, in such manner,
 6 and containing such information as the Secretary may re-
 7 quire, including an assurance that the funds required
 8 under subsection (e) will be provided.

9 (c) AMOUNT AND PERIOD OF GRANT.—The Sec-
 10 retary shall determine the amount of a grant to a State
 11 under this section based on the population of the State
 12 as compared to the population of all States receiving
 13 grants under this section. The Secretary shall make the
 14 grant for a period of 3 years.

15 (d) USE OF FUNDS.—

16 (1) IN GENERAL.—A State shall use amounts
 17 provided under a grant awarded under this section
 18 to provide assistance to small businesses (or con-
 19 sortia formed in accordance with paragraph (3)) lo-
 20 cated in the State to enable the small businesses (or
 21 consortia) to establish and operate child care pro-
 22 grams. Such assistance may include—

23 (A) technical assistance in the establish-
 24 ment of a child care program;

1 (B) assistance for the startup costs related
2 to a child care program;

3 (C) assistance for the training of child care
4 providers;

5 (D) scholarships for low-income wage earn-
6 ers;

7 (E) the provision of services to care for
8 sick children or to provide care to school-aged
9 children;

10 (F) the entering into of contracts with
11 local resource and referral organizations or local
12 health departments;

13 (G) assistance for care for children with
14 disabilities;

15 (H) payment of expenses for renovation or
16 operation of a child care facility; or

17 (I) assistance for any other activity deter-
18 mined appropriate by the State.

19 (2) APPLICATION.—In order for a small busi-
20 ness or consortium to be eligible to receive assistance
21 from a State under this section, the small business
22 involved shall prepare and submit to the State an
23 application at such time, in such manner, and con-
24 taining such information as the State may require.

25 (3) PREFERENCE.—

1 (A) IN GENERAL.—In providing assistance
2 under this section, a State shall give priority to
3 an applicant that desires to form a consortium
4 to provide child care in a geographic area with-
5 in the State where such care is not generally
6 available or accessible.

7 (B) CONSORTIUM.—For purposes of sub-
8 paragraph (A), a consortium shall be made up
9 of 2 or more entities that shall include small
10 businesses and that may include large busi-
11 nesses, nonprofit agencies or organizations,
12 local governments, or other appropriate entities.

13 (4) LIMITATIONS.—With respect to grant funds
14 received under this section, a State may not provide
15 in excess of \$500,000 in assistance from such funds
16 to any single applicant.

17 (e) MATCHING REQUIREMENT.—To be eligible to re-
18 ceive a grant under this section, a State shall provide as-
19 surances to the Secretary that, with respect to the costs
20 to be incurred by a covered entity receiving assistance in
21 carrying out activities under this section, the covered enti-
22 ty will make available (directly or through donations from
23 public or private entities) non-Federal contributions to
24 such costs in an amount equal to—

1 (1) for the first fiscal year in which the covered
2 entity receives such assistance, not less than 50 per-
3 cent of such costs (\$1 for each \$1 of assistance pro-
4 vided to the covered entity under the grant);

5 (2) for the second fiscal year in which the cov-
6 ered entity receives such assistance, not less than
7 66 $\frac{2}{3}$ percent of such costs (\$2 for each \$1 of assist-
8 ance provided to the covered entity under the grant);
9 and

10 (3) for the third fiscal year in which the covered
11 entity receives such assistance, not less than 75 per-
12 cent of such costs (\$3 for each \$1 of assistance pro-
13 vided to the covered entity under the grant).

14 (f) REQUIREMENTS OF PROVIDERS.—To be eligible
15 to receive assistance under a grant awarded under this
16 section, a child care provider—

17 (1) who receives assistance from a State shall
18 comply with all applicable State and local licensing
19 and regulatory requirements and all applicable
20 health and safety standards in effect in the State;
21 and

22 (2) who receives assistance from an Indian tribe
23 or tribal organization shall comply with all applica-
24 ble regulatory standards.

1 (g) STATE-LEVEL ACTIVITIES.—A State may not re-
 2 tain more than 3 percent of the amount described in sub-
 3 section (c) for State administration and other State-level
 4 activities.

5 (h) ADMINISTRATION.—

6 (1) STATE RESPONSIBILITY.—A State shall
 7 have responsibility for administering a grant award-
 8 ed for the State under this section and for moni-
 9 toring covered entities that receive assistance under
 10 such grant.

11 (2) AUDITS.—A State shall require each cov-
 12 ered entity receiving assistance under the grant
 13 awarded under this section to conduct an annual
 14 audit with respect to the activities of the covered en-
 15 tity. Such audits shall be submitted to the State.

16 (3) MISUSE OF FUNDS.—

17 (A) REPAYMENT.—If the State determines,
 18 through an audit or otherwise, that a covered
 19 entity receiving assistance under a grant award-
 20 ed under this section has misused the assist-
 21 ance, the State shall notify the Secretary of the
 22 misuse. The Secretary, upon such a notifica-
 23 tion, may seek from such a covered entity the
 24 repayment of an amount equal to the amount
 25 of any such misused assistance plus interest.

1 (B) APPEALS PROCESS.—The Secretary
2 shall by regulation provide for an appeals proc-
3 ess with respect to repayments under this para-
4 graph.

5 (i) REPORTING REQUIREMENTS.—

6 (1) 2-YEAR STUDY.—

7 (A) IN GENERAL.—Not later than 2 years
8 after the date on which the Secretary first
9 awards grants under this section, the Secretary
10 shall conduct a study to determine—

11 (i) the capacity of covered entities to
12 meet the child care needs of communities
13 within States;

14 (ii) the kinds of consortia that are
15 being formed with respect to child care at
16 the local level to carry out programs fund-
17 ed under this section; and

18 (iii) who is using the programs funded
19 under this section and the income levels of
20 such individuals.

21 (B) REPORT.—Not later than 28 months
22 after the date on which the Secretary first
23 awards grants under this section, the Secretary
24 shall prepare and submit to the appropriate
25 committees of Congress a report on the results

1 of the study conducted in accordance with sub-
2 paragraph (A).

3 (2) 4-YEAR STUDY.—

4 (A) IN GENERAL.—Not later than 4 years
5 after the date on which the Secretary first
6 awards grants under this section, the Secretary
7 shall conduct a study to determine the number
8 of child care facilities that are funded through
9 covered entities that received assistance through
10 a grant awarded under this section and that re-
11 main in operation, and the extent to which such
12 facilities are meeting the child care needs of the
13 individuals served by such facilities.

14 (B) REPORT.—Not later than 52 months
15 after the date on which the Secretary first
16 awards grants under this section, the Secretary
17 shall prepare and submit to the appropriate
18 committees of Congress a report on the results
19 of the study conducted in accordance with sub-
20 paragraph (A).

21 (j) DEFINITIONS.—In this section:

22 (1) COVERED ENTITY.—The term “covered en-
23 tity” means a small business or a consortium formed
24 in accordance with subsection (d)(3).

1 (2) INDIAN COMMUNITY.—The term “Indian
2 community” means a community served by an In-
3 dian tribe or tribal organization.

4 (3) INDIAN TRIBE; TRIBAL ORGANIZATION.—
5 The terms “Indian tribe” and “tribal organization”
6 have the meanings given the terms in section 658P
7 of the Child Care and Development Block Grant Act
8 of 1990 (42 U.S.C. 9858n).

9 (4) SMALL BUSINESS.—The term “small busi-
10 ness” means an employer who employed an average
11 of at least 2 but not more than 50 employees on the
12 business days during the preceding calendar year.

13 (5) STATE.—The term “State” has the mean-
14 ing given the term in section 658P of the Child Care
15 and Development Block Grant Act of 1990 (42
16 U.S.C. 9858n).

17 (k) APPLICATION TO INDIAN TRIBES AND TRIBAL
18 ORGANIZATIONS.—In this section:

19 (1) IN GENERAL.—Except as provided in sub-
20 section (f)(1), and in paragraphs (2) and (3), the
21 term “State” includes an Indian tribe or tribal orga-
22 nization.

23 (2) GEOGRAPHIC REFERENCES.—The term
24 “State” includes an Indian community in sub-
25 sections (c) (the second and third place the term ap-

1 pears), (d)(1) (the second place the term appears),
 2 (d)(3)(A) (the second place the term appears), and
 3 (i)(1)(A)(i).

4 (3) STATE-LEVEL ACTIVITIES.—The term
 5 “State-level activities” includes activities at the trib-
 6 al level.

7 (l) AUTHORIZATION OF APPROPRIATIONS.—

8 (1) IN GENERAL.—There is authorized to be
 9 appropriated to carry out this section, \$50,000,000
 10 for the period of fiscal years 2008 through 2012.

11 (2) STUDIES AND ADMINISTRATION.—With re-
 12 spect to the total amount appropriated for such pe-
 13 riod in accordance with this subsection, not more
 14 than \$2,500,000 of that amount may be used for ex-
 15 penditures related to conducting studies required
 16 under, and the administration of, this section.

17 (m) TERMINATION OF PROGRAM.—The program es-
 18 tablished under subsection (a) shall terminate on Sep-
 19 tember 30, 2012.

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